



ADA Coordination

Agenda Coordination

Animal Services

Art in Public Places

Audit and Management Services

Aviation

Building Code Compliance

Building

Business Development

Capital Improvements

Citizen's Independent Transportation Trust

Communications

Community Action Agency

Community & Economic Development

Community Relations

Consumer Services

Corrections & Rehabilitation

Countywide Healthcare Planning

Cultural Affairs

Elections

Emergency Management

Employee Relations

Enterprise Technology Services

Environmental Resources Management

Fair Employment Practices

Finance

Fire Rescue

General Services Administration

Historic Preservation

Homeless Trust

Housing Agency

Housing Finance Authority

Human Services

Independent Review Panel

International Trade Consortium

Juvenile Assessment Center

Medical Examiner

Metropolitan Planning Organization

Park and Recreation

Planning and Zoning

Police

Procurement

Property Appraiser

Public Library System

Public Works

Safe Neighborhood Parks

Seaport

Solid Waste Management

Strategic Business Management

Team Metro

Transit

Urban Revitalization Task Force

Vizcaya Museum and Gardens

Water and Sewer

December 15, 2006

Honorable Carlos Alvarez, Mayor

Honorable Chairman Joe Martinez and Members, Board of County Commissioners

Dear Mayor Alvarez, Chairman Martinez, and County Commissioners:

I am pleased to submit the FY 2006-07 Final Business Plan, Adopted Budget and Multi-Year Capital Plan, and Five-Year Financial Outlook. This is the second year we have produced this final reference document, adjusted for the actions taken at the Final Budget Hearing on September 20, 2006. As endorsed by the Board, we employ a results oriented governing process to allocate resources. This document includes the business plan which details the annual implementation of the Strategic Plan, as well as our projections for our financial status for the coming five years.

Three volumes comprise this document. The first volume includes an introductory chapter which provides a historical and general perspective of Miami-Dade County government and describes our strategic planning and resource allocation processes. It also includes the County's Five-Year Financial Outlook for both our tax-supported and proprietary activities. The section titled "Strategically Targeted Unincorporated Municipal Services Area and Countywide Service Improvements" provides a same of some of the unmet operational initiatives in the Unincorporated Municipal Service Area (UMSA) and Countywide areas to address long-term goals and objectives identified in the County's Strategic Plan. A facsimile of the final budget ordinances adopted by the Board and a listing of the community-based organizations approved for funding as of September 20, 2006 are also included in the first volume.

The second volume includes the business plan, organized by strategic area. Within each strategic area, the mission, key priority outcomes, and departmental narratives including the budget, performance measures, and anticipated results are detailed. This volume also includes summary budget information.

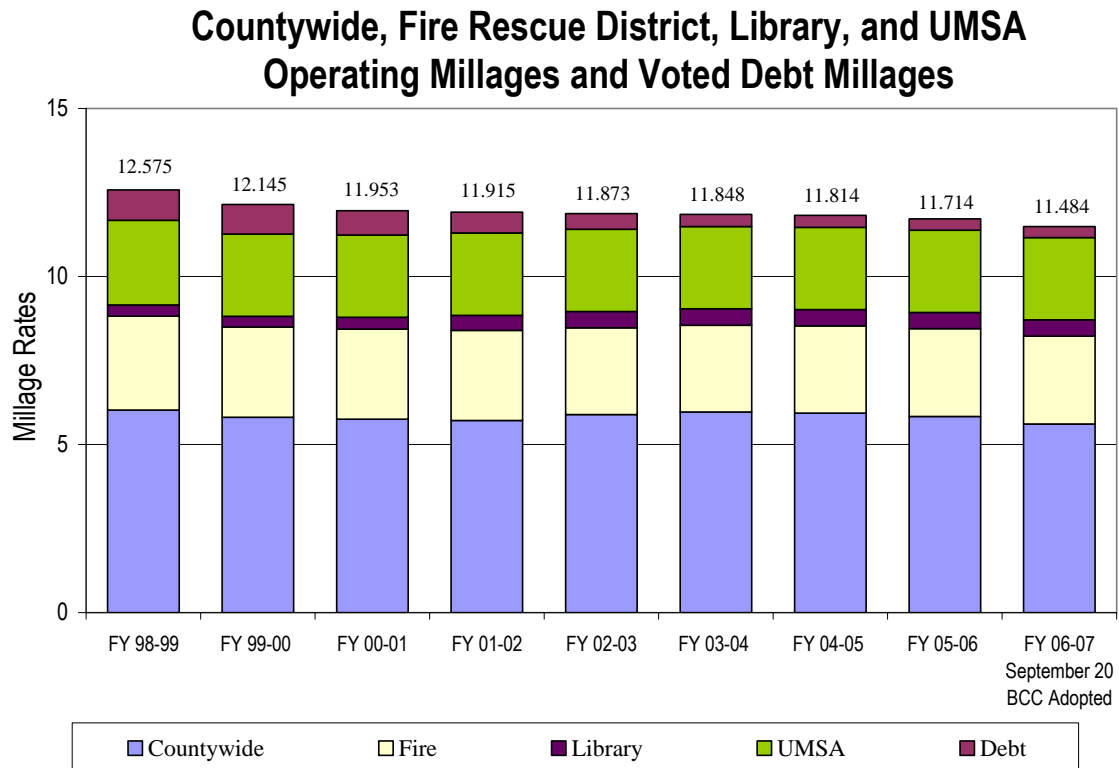
The third volume contains detailed schedules for the capital projects approved as part of the final adopted budget, which are eligible to utilize the Expedite Ordinance for implementation. It also details unfunded projects and includes capital budget summaries.

This year, for the fifth year, the County is submitting an application to the Government Finance Officers Association (GFOA) for the Distinguished Budget Presentation Award. The award is based on the presentation of the budget document as a policy document, communications device, financial plan, and operations guide. We are proud to have received this designation for the last four years.



FY 2006-07 Adopted Budget

The FY 2006-07 budget development process began back in 2005. Again this year, we enjoyed a collaborative process that included all levels of government. Working together, we developed a resource allocation plan that addresses the needs of the residents of our community, while providing property tax relief. For the ninth consecutive year, the combined millage rate approved in September is lower than the previous year, and is the lowest rate since FY 1983-84.



MILLAGE TABLE			
Taxing Unit	FY 2005-06 Actual Millage	FY 2006-07 Proposed Millage Rate	Percent Change From FY 2005-06 Actual Millage
Countywide Operating	5.835	5.615	-3.8%
Miami-Dade Fire Rescue Service District	2.609	2.609	0.0%
Miami-Dade Public Library System	0.486	0.486	0.0%
Total Millage Subject to 10 Mill Cap	8.930	8.710	-2.5%
Unincorporated Municipal Service Area (UMSA)	2.447	2.447	0.0%
Sum of Operating Millages	11.377	11.157	-1.9%
Voted Millages -- Debt Service			
Countywide	0.285	0.285	0.0%
Fire Rescue District Special Obligation Bond	0.052	0.042	-19.2%
Sum of Operating and Debt Millages	11.714	11.484	-2.0%

For FY 2006-07, the total adopted budget is balanced at \$6.977 billion, of which \$4.732 billion is the funding required to support the direct operating budget and \$2.245 billion is funding for capital infrastructure projects. The tax supported budgets – the Countywide General Fund, UMSA General Fund, Library System and Fire Rescue District budgets – total \$2.317 million, or 49 percent of the total operating budget. Attachment 1 to this message includes charts that compare the various budgets, both operating and capital, for FY 2004-05, FY 2005-06 and FY 2006-07.

The Adopted Budget represents a 1.6 percent increase from the FY 2005-06 Final Adopted Budget of \$6.862 billion. The largest increases in the operating budget are in the Neighborhood and Unincorporated Municipal Services Area (UMSA) and Recreation and Culture strategic areas. The Neighborhood and UMSA strategic area budget increased by 13.8 percent to fund service enhancements primarily in the Public Works Department such as the creation of ten Neighborhood Enhancement Action Teams (NEAT Teams) to provide rapid response to the “little things” that impact neighborhood quality of life such as righting fallen signs, removing small litter piles, trimming trees, repairing fences and guardrails, and reporting things such as potholes, pavement repairs and other things that require a more specialized response. Other service enhancements include installation of illuminated street signs at 300 intersections, replacing spanwire traffic signals with mast arm support systems, and replacing local traffic and street signs. The Recreation and Culture strategic area budget is increased by 16.1 percent to expand cultural grants programs and events and programs in our parks targeted for senior citizens.

Attachment 1 also includes charts that detail revenue and expenditure information for the tax-supported and proprietary budgets, the capital budget, and the overall Adopted Budget by strategic area. A table is also included that shows funding and positions for the two previous and the current fiscal years for each department, organized by strategic area.

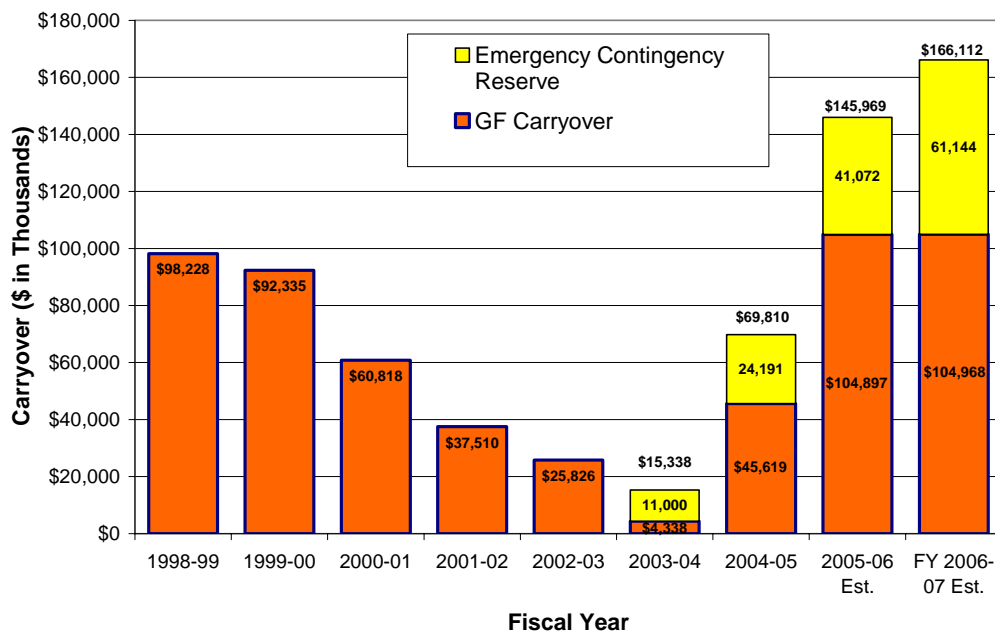
The Adopted Budget includes fee adjustments for Water and Sewer and Solid Waste customers, among others. Consistent with the concept adopted by the Board for FY 2005-06, the FY 2006-07 retail water and wastewater rates were adjusted according to the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, Water and Sewerage Maintenance, US City Average, a 4.5 increase. At the final budget hearing, the Board deferred this increase to January 2007. Also at the final budget hearing, the Board adopted a solid waste household collection fee of \$439, \$10 less than the proposed fee of \$449. Over the coming year, we will be carefully analyzing opportunities for curbside recycling and bulky waste services to ensure we are providing efficient and effective service that can be sustained at this rate for the next few years.

The FY 2006-07 Budget was developed based on the 20 priorities presented to the Board in January 2006, delineated in the following table.

FY 2006-07 Budget Priorities	
<i>Meeting the Primary Expectations of our Customers</i>	
	1 Continue to implement the Building Better Communities Bond Program
	2 Continue to implement the People's Transportation Plan
<i>A Safe Community</i>	
	3 Provide required training and equipment for all public safety functions
	4 Improve response time, through facility placement, community policing, and other strategies
<i>A Vibrant and Sustainable Community</i>	
	5 Ensure the continuation of efforts to balance the need to preserve our natural resources, including water quality, with the need for sustainable development
	6 Support the creation of valuable employment opportunities
	7 Develop and implement strategies to provide sufficient affordable and workforce housing, as well as tax relief to targeted sectors of our community
	8 Concentrate on social service needs for all segments of the community, including children's programs; healthcare and insurance; intervention, prevention and diversion programs; and meals for the elderly
	9 Expand and support recreational and cultural programs and facilities
<i>The Little Things</i>	
	10 Improve roadway signage and signals and continue installation of traffic calming devices and illuminated street signs
	11 Continue maintenance and improvement of rights-of-way, parks, and other public lands and facilities, including litter clean-up; improve bulky waste pickup
<i>A Community of Opportunities</i>	
	12 Continued implementation of the Miami International Airport (MIA) Capital Improvement Plan (CIP) to attract airlines and passengers
	13 Continued implementation of the Seaport CIP to allow for efficient and secure operations
<i>An Effective Government</i>	
	14 Continue implementation of the 311 Answer Center and community outreach and awareness
	15 Improve the building permit and development process
	16 Provide effective services; improve service through technology and application of best practices
	17 Attract and retain a talented and motivated workforce through effective recruiting, performance standards and training, and gainsharing and managed competition
	18 Continue to improve the financial stability for tax-supported and enterprise funds
	19 Address concerns related to the Public Health Trust
	20 Promote an honest, ethical government

Of particular note, in the FY 2006-07 Adopted Budget, a tenant-based rental housing subsidy program was funded (\$9 million of general fund and HOME funds) and ten Neighborhood Enhancement Action Teams (NEAT teams) were created as mentioned above. Four new libraries will be opened and six new units will be added to the Fire Rescue District. Two additional basic law enforcement classes (for a total of six) have been funded to increase the number of police officers serving UMSA, along with two Public Service Aide classes. Funding required for the first year of a three year plan to address deficiencies in the Corrections and Rehabilitation Department and support beyond the statutorily required maintenance of effort to the Public Health Trust has been provided. Increased funding for cultural grants and restoration of the tree canopy is also included. As illustrated in the chart below, the general fund ending fund balance has been enhanced, bringing the total reserves to the highest level in a decade. In addition to these selected improvements, Attachment III to this message contains highlights of the entire budget organized by priority.

General Fund Year-End Fund Balance



Looking to the future

This document includes our five-year financial outlook. This analysis provides information regarding the future financial condition of our property tax supported funds, as well as details of certain proprietary operations including Aviation, Seaport, Solid Waste Management, Housing, Water and Sewer, and Transit. We have detailed the assumptions used to develop this plan; based on these constraints the financial status of our property tax supported funds is improving, primarily as a result of our efforts to boost our reserves. Certain proprietary operations will continue to face challenges, as are discussed in that section of this document.

While in general our four tax supported budgets - Countywide, UMSA, Library System, and Fire and Rescue – show positive fiscal outlooks, the issue of providing some level of property tax relief to our residents has reached a critical point. In addition to the slowing of the growth in the property tax roll value, we will be challenged by potential tax reforms to be considered during the upcoming legislative session. The State Legislature will be contemplating different options including portability, increased homestead exemptions,

and revenue and expenditure caps. It is critical that we closely follow these proposals and weigh the inherent conflict of wanting to provide tax relief while at the same time enhancing the services critical to our residents.

So, where do we go from here? It seems clear that we must strive to do more with less. A slowing real estate market, higher costs of certain resource inputs such as fuel and energy, rising personnel costs along with the simple reality of our residents demand for rate reductions requires this direction. In January, I will be recommending my budget priorities for FY 2007-08. It is my intention to develop the upcoming budget by focusing on streamlining government and our core mission and basic responsibility. While it is critical that we emphasize fiscal responsibility, capable administration, and efficient and effective provision of services, it is also time that we ask ourselves why we are doing the things that we are doing. What is our core mission as a local government? As a regional government? On what functions should we focus our resources? Which functions would be better accomplished outside of County government? We must all work on this together because it is important that we stop doing things that distract us from excellence.

Conclusion

Once again, I want to thank each of you for your contribution to this process. Along with the Commission Auditor and his staff, the Department Directors, the staff of my office, and the Office of Strategic Business Management, we have developed a resource allocation plan that meets your priorities and your expectations.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Burgess", written over a horizontal line.

George M. Burgess
County Manager